

### **REMARKS**

Claims 1-11 are all the claims presently pending in the application.

It is noted that the claims have been amended solely to more particularly point out Applicant's invention for the Examiner, and not for distinguishing over the prior art, narrowing the claim in view of the prior art, or for statutory requirements directed to patentability.

It is further noted that, notwithstanding any claim amendments made herein, Applicant's intent is to encompass equivalents of all claim elements, even if amended herein or later during prosecution.

Claims 1-9 and 11 stand rejected under 35 U.S.C. §101 as allegedly directed to non-statutory subject matter. Applicants do not agree with the Examiner's analysis, since the correct analysis is not a two-prong test, as alleged by the Examiner. Moreover, relative to the Examiner's concern that the claims could be interpreted as reading on a mental process, Applicants submit that case law already contains at least one statement that no Federal District judge is ever going to allow a patent infringement action based on a solely mental process infringement cause of action.

However, to expedite prosecution, independent claims 1, 9, and 11 have been amended to clarify that the method is executed on a computer. Accordingly, the Examiner is requested to reconsider and withdraw this rejection.

Claims 1, 4, 5, 7 and 9 stand rejected under 35 U.S.C. §102(b) as being anticipated by "Company Makes Science Out of Shopping Trends" Boston Business journal ("TSI"). Claims 2, 3, 6, 8 and 10 stand rejected under 35 U.S.C. 103(a) as being unpatentable over TSI.

These rejections are respectfully traversed in view of the following discussion.

### **I. THE CLAIMED INVENTION**

Applicant's invention, as defined for example in independent claim 1, and substantially similarly in independent claims 9 and 10, is directed to a method suitable for projecting demand, including identifying a first set of merchandise and specifying a second set of merchandise which

is to be used as a referent for soliciting information relative to demand behavior for a pre-determined attribute of the first set of merchandise. The second set of merchandise is clustered for generating a demand profile for the pre-determined attribute of the first set of merchandise. The second set of merchandise is clustered for generating a demand model correlated to model-based demand attributes of the first set of merchandise. The generated demand profile and the generated demand model are combined into a single encompassing model which is capable of projecting demand of the first set of merchandise.

At least one of the clustering for generating a demand profile, the clustering for generating a demand model, and the combining the generated demand profile and generated demand model are executed on a computer CPU.

An exemplary configuration of the method for projecting demand is shown in Figure 1 of the application.

The conventional systems, such as those discussed below and in the Related Art section of the present application, do not have such a structure, and fail to provide for such an operation.

Indeed, such features are clearly not taught or suggested by the cited references.

## II. THE PRIOR ART REJECTION

The Examiner alleges that the brief article by Jennifer Merritt entitled "Company Makes Science Out of Shopping Trends", as printed in the Boston Business Journal on September 3, 1988, related to Technology Strategy, Inc., anticipates claims 1, 4, 5, 7, and 9 and renders obvious claims 2, 3, 6, 8, and 10.

Applicants disagree and again submit that this article is non-enabling. The Examiner alleges that *Fonar* and *In re Hayes* both teach that, in a software disclosure, it is generally sufficient if the functions of the software are disclosed.

In response, Applicants submit that, in the future, the Examiner may wish to closely review the facts and holding of the case prior to attempting to apply one of the generalized caselaw statements from the MPEP. Applicants submit that these simplistic statements apply only in the environment of the facts unique to that case.

More specifically to the present evaluation, *Fonar* involved US Patent 3,789,832 to Damadian and US Patent 4,871,966 to Smith et al., and *In re Hayes* involved US Patent 4,549,302 to Heatherington. Neither of these cases involved a short marketing article, such as the TSI article.

That is, *Fonar* involved two issued patents on nuclear magnetic resonance and *In re Hayes* involved an issued patent on an FSK modem. In both cases, the issue concerned a relatively minor aspect of the overall invention. Additionally, since a USPTO patent Examiner had evaluated all three of the patent applications and failed to raise a rejection for enablement, the defendant had to overcome the presumption of validity of the patent, a legal standard that is very difficult to overcome.

Therefore, the ruling in these two case reflect the presumption of validity and the simplistic statement applied by the Examiner does not in any way reflect a generic concept that a marketing report or advertisement is enabling. The Examiner may want to reflect upon a world in which a description in a television commercial or a newspaper article is considered as being enablement for software.

The Examiner may want to take a look at these three patents that were the subject of *Fonar* and *In re Hayes*. It will be noted immediately that the level of detail in any one of them far exceeds the cursory marketing discussion in the TSI article.

In contrast to an issued patent, the TSI article cannot be reasonably described as providing details on how the purported results are obtained. The Examiner is clearly reading between the very few lines in this article. Applicants submit that one of ordinary skill in the art would have no idea of the details underlying the results of TSI without a clear explanation of the "... little bit of science and extensive mathematical modeling", as mentioned in Paragraph 3 of page 1, the mysterious "... model that lets them answer all the questions in one mathematical system", as mentioned in Paragraph 5 of page 1, the effort accomplished by the "... team of Ph.D.s to work on each client's particular case, analyzing historical data from at least three previous years", as mentioned in the first paragraph on page 2, the mysterious "complex mathematical model" referred to in Paragraph 2 of page 2, or the details of the "... initial analysis , the mathematical modeling effort and forecasting", as mentioned in the final paragraph on page 2.

For example, taking claim 1, the Examiner says that paragraph 4 on page 2 satisfies the first limitation ("... identifying a first set of merchandise ... ") by alleging that "*... different items of clothing are selected as the first set of merchandise*".

Paragraph 4 actually states: "*In its role, TSI has been able to integrate all levels of buying, distributing, and pricing, providing information on both overall retail trends and even in individual clothing classes (such as shirts, pants or jackets).*"

Applicants submit that one of ordinary skill in the art would not consider that the above paragraph 4 in any way suggests to identify an isolated first set of merchandise for a specific purpose.

Next, the Examiner points to paragraph 2 of page 2 and alleges that this paragraph teaches "*... a second set of retail merchandise is used to determine the demand behaviors of a pre-determined attributes of the first set of merchandise....*"

Paragraph 2 on page 2 actually states: "*From there, TSI uses a complex mathematical model to create a graphic overlay comparing predicted sales and necessary inventory levels to each retail department's merchandise plan.*"

Applicants submit that one of ordinary skill in the art would not consider that this paragraph teaches or suggests a second set of merchandise, let alone a second set that is used to determine demand behaviors of pre-determined attributes of a first set of merchandise.

Next, the Examiner points to Paragraph 59 on page 1 and Paragraphs 1 and 2 on page 2 and alleges that: "*... the merchandise demand profile is created for attributes of the merchandise*", and that this satisfies the claim limitation: "*... clustering the second set of merchandise for generating a demand profile for said pre-determined attribute of said first set of merchandise*".

In response, Applicants submit that page 1 does not contain a Paragraph 59. If the Examiner is actually intending to refer to Paragraph 5, this paragraph actually states: "*There's a hierarchy of questions that retailers have to answer when it comes to inventory,*" said Scott Friend, vice president of TSI. "*We create a model that lets them answer all the questions in one mathematical system.*"

Paragraphs 1 (presumably to include the final paragraph on page 1) and 2 on page 2 states: "*These tools are what TSI intend to provide its customers. The company, founded in 1984 by*

*Michael Levy, who is president of TSI, and relaunched last year with a focus on retail, employs a team of Ph.D.s to work on each client's particular case, analyzing historical data from at least three previous years -- including merchandise sales markdown figures and inventory statistics. From there, TSI uses a complex mathematical model to create a graphic overlay comparing predicted sales and necessary inventory levels to each retail department's merchandise plan."*

Applicants submit that these paragraphs, to one of ordinary skill in the art, do not in any way teach or suggest either clustering a second set of merchandise or generating a demand profile for a first set of merchandise from the demand profile of the second set.

The Examiner next points to Paragraphs 2-4 of page 2 and alleges that these paragraphs teach "... the demand model is correlated to the attributed (sic) of the first merchandise", and that this satisfies the claim limitation: "... clustering the second set of merchandise for generating a demand model correlated to model-based demand attributes of said first set of merchandise."

Paragraphs 2-4 on page 2 state: *"From there, TSI uses a complex mathematical model to create a graphic overlay comparing predicted sales and necessary inventory levels to each retail department's merchandise plan. The gaps on the graph between the merchandise plan levels and the forecast levels show the retailer where overplanning may be occurring, giving the retailer a heads-up on potential overstock. In practice, the retailer can then cut back an order or reallocate inventory from one region to another based on regional sales forecasts, saving time and money, said Friend. In its role, TSI has been able to integrate all levels of buying, distributing, and pricing, providing information on both overall retail trends and even in individual clothing classes (such as shirts, pants or jackets)."*

Applicants submit that one of ordinary skill in the art would not in any way consider that these three paragraphs teach, suggest, or even hint at clustering, a first set, a second set, or generating a demand model correlated to model-based demand attributes of the first set.

Finally, the Examiner points to the same three paragraphs and alleges that these same paragraphs teach the final limitation of claim 1: *"... combining the demand profile and the demand model into a single encompassing model which is capable of projecting demand of the first set of merchandise."*

Applicants submit that there is no hint in these three paragraphs of this final claim limitation.

Applicants additionally submit that the TSI article is likewise non-enabling for the rejection for claims 4, 5, 7, 9, and 11.

Relative to the rejection for claims 2, 3, 6, 8, and 10, based on the Examiner as having invoked Official Notice, Applicants again request that the Examiner provide a reasonable reference for each invocation.

Applicants submit that this rejection is exactly the administrative abuse that motivated the Federal Circuit holding in *In re Sang-su Lee* (277 F.3d 1338, Fed. Cir., 2002). This holding is now mentioned in the MPEP and is the motivation behind the recent USPTO internal decision that Official Notice will no longer be routine practice by Examiners. The Examiner may want to look up these sections 2143.01 and 2144.03.

Relative to the Examiner's comment that Official Notice must be "seasonably challenged", Applicants first submit that a challenge would be necessary only if the rejection of record has met the required initial burden. As indicated above, Applicants believe that TSI is non-enabling. Therefore, the initial burden has not been met, as based on this marketing article describing TSI's services.

Second, as per the "seasonal challenge" request by the Examiner, Applicants respond to the propriety and sufficiency of the Official Notice for claims 2, 3, 6, 8, and 10, as follows: in each instance, the rejection does nothing more than to recite the benefit or effect of implementing the missing element.

This approach is an entirely different concept from that asserted by the Examiner that it is "old and well known in the art". It is also improper as a rejection under 35 USC §103(a), since no proper motivation to modify or combine references are present in the rejection currently of record.

For the reasons stated above, the claimed invention is fully patentable over the cited reference.

Further, the other prior art of record has been reviewed, but it too, even in combination with the Technical Strategy article, fails to teach or suggest the claimed invention.

### III. FORMAL MATTERS AND CONCLUSION

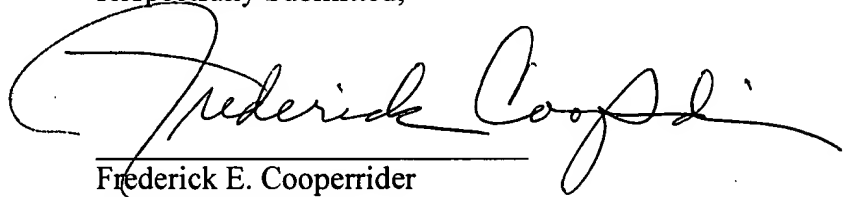
In view of the foregoing, Applicant submits that claims 1-11, all the claims presently pending in the application, are patentably distinct over the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary in a telephonic or personal interview.

The Commissioner is hereby authorized to charge any deficiency in fees or to credit any overpayment in fees to Assignee's Deposit Account No. 50-0510.

Respectfully Submitted,

Date: 1/14/04

  
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